REMARKS

Claims 1-8 are pending in the application and stand rejected.

Rejection under 35 U.S.C §102

Claims 1-8 stand rejected under 35 U.S.C. 102(e) as being anticipated by U.S. Patent No. 6,956,600 to Gaylord. In particular, the Examiner finds that with regard to each claim, Gaylord discloses all of the claimed limitations. Applicants have reviewed the reference with care, paying particular attention to the passages cited, and are compelled to respectfully disagree with the Examiner's characterization of this reference.

Claim 1, for instance, recites a method wherein, *inter alia*, a Multipoint Control Unit creates for each terminal an indicator containing multi-picture information and sends it to the terminal, and each terminal encodes a source picture into a sub-bitstream based on information contained in the indicator, inserts the indicator into the sub-bitstream, and sends the sub-bitstream having the indicator inserted therein to the Multipoint Control Unit. In the method taught by Gaylord, on the other hand, the client devices send sequences of encoded picture frames to the server 702, and the server 702 creates a single new picture header containing a plurality of indicators for the spatial multiplex video picture frame (col. 5, line 20 - col. 6, line 10; col. 7, lines 21-23; and col. 8, lines 49-55). Applicants thus submit that Gaylord clearly does not disclose the claimed method, which in the context of Gaylord would amount to the server 702 creating for each client device an indicator (or an indicator-containing picture header) and sending it to the client device, and the client device generating an encoded picture frame sequence based on information contained in the indicator, inserting the indicator into the encoded picture frame sequence, and sending the encoded picture frame sequence having the indicator inserted therein to the server 702.

Applicants further note that the method of Gaylord includes the additional limitations of "the new picture header indicating a slice format" and "altering the component headers of each video picture frame to be included in the spatial multiplex video picture frame to set a slice format based picture position..." (col. 10, lines 53-60). Neither of these limitations are present in

the claimed invention. Therefore, in light of all of the above, Applicants respectfully submit that claim 1 is in fact patentable over Gaylord and request the Examiner to kindly reconsider and pass the claim to issue.

Claims 2-8 depend from claim 1. In view of the above discussion, it is submitted that claim 1 is allowable, and for this reason claims 2-8 are also allowable at least by virtue of their dependency from claim 1.

~ ~ ~

In view of the above, Applicants submit that the application is now in condition for allowance and respectfully urge the Examiner to pass this case to issue.
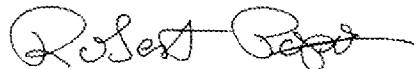
* * *

The Commissioner is authorized to charge any additional fees which may be required or credit overpayment to deposit account no. 12-0415. In particular, if this response is not timely filed, the Commissioner is authorized to treat this response as including a petition to extend the time period pursuant to 37 CFR 1.136(a) requesting an extension of time of the number of months necessary to make this response timely filed and the petition fee due in connection therewith may be charged to deposit account no. 12-0415.

I hereby certify that this document is being transmitted to the Patent and Trademark Office via electronic filing.

Respectfully submitted,

March 11, 2008
(Date of Transmission)

Robert Popa
Attorney for Applicants
Reg. No. 43,010
LADAS & PARRY
5670 Wilshire Boulevard, Suite 2100
Los Angeles, California 90036
(323) 934-2300 voice
(323) 934-0202 facsimile
rpopa@la.ladas.com